



West Midlands
Combined Authority

Economic Growth Board

Date	22 September 2023
Report Title	Further Education Innovation Fund
Portfolio Lead	Economy & Innovation
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Report has been considered by	Directors of Economic Development

Recommendations

Economic Growth Board is recommended to:

- (1) Note that WMCA area further education colleges are invited to submit bids for a share of £2.5m Grant funding from Innovate UK to run further education innovation projects.
- (2) Note that WMCA is convening and supporting relevant further education colleges to develop bids for the Grant that align to the West Midlands (WM) Local Skills Improvement Plan and the WM Plan for Growth.
- (3) Delegate authority to the WMCA to make the local selection decision for funded projects, to the below listed key and Statutory Officers:

- (a) Interim Director for Employment, Skills, Health and Communities,
 - (b) Section 151 Officer and Monitoring Officer, to make the local selection decision for funded projects.
- (4) Provide guidance for the types of projects that will add most value in delivering local priorities and inclusive economic growth.

1. Purpose of the report

- 1.1. The purpose of this report is twofold: Firstly; to bring to the awareness of the Economic Growth Board (EGB) plans for a new Further Education Innovation Fund for further education colleges in the WMCA area; Secondly; to document the recommendation put herein to the EGB in accordance with WMCA governance.

2. Background

- 2.1. The West Midlands Devolution Deal includes an innovation chapter which in summary outlines new arrangements between relevant government departments and the WMCA to:
- Continue to deliver, and learn lessons for future related programmes, through the West Midlands Innovation Accelerator pilot.
 - Form a new Strategic Innovation Partnership that will give the WMCA a new and influential role informing the national research and innovation ecosystem at the strategic level. This will maintain progress towards delivering the commitments set out in the Devolution Deal.
 - Work together to grow innovation clusters. Innovate UK and DSIT will work in partnership with the WMCA to grow the city region's innovation ecosystem.
- 2.2. As part of pillar three "work together to grow innovation clusters", there are a number of specific commitments to take action around. One such commitment under this pillar of the Devolution Deal is the Innovate UK and West Midlands Action Plan, which the Economic Growth Board endorsed for launch in July 2023.
- 2.3. Another explicit commitment is that, "the government and Innovate UK will work with WMCA to pilot new approaches to boost innovation adoption and diffusion across the local business base. This will include the pilot Innovate UK further education innovation fund, which will fund further education colleges to pursue innovation activities.
- 2.4. This report sets out arrangements for taking the commitments referred to at 2.2 and 2.3 above forward.

Innovate UK Further Education Innovation Fund

- 2.5. Innovate UK has £10m of grant funding to award to further education colleges in the UK for new pilot projects to strengthen their role in local innovation ecosystems.
- 2.6. As part of the Devolution Deal, Innovate UK has ringfenced £2.5m for WMCA area further education colleges.
- 2.7. A call for projects is anticipated to be issued in October 2023 and with funding awards completed by end of March 2024. Projects will then have 12 months to undertake delivery. Funding is limited to further education colleges, and they cannot pass on any funding to businesses or other institutions. Projects must use funding for activities and resources that will engage businesses in the WMCA area.
- 2.8. The aim of the funding is to create innovation centres of excellence in further education colleges around the UK, recognising that colleges work with distinct groups of employers when compared to universities, and also recognising that further education colleges often exist in places where universities do not.
- 2.9. The types of projects can include upskilling further education staff, student placements, and bespoke training programmes. Other interventions can also be considered provided that they meet the scope and eligibility of the funding call. All interventions should have a focus on supporting SMEs in the WMCA area to adopt innovative technologies, process, and/or business models.
- 2.10. Projects are required to align and enhance the growth of the West Midlands Plan for Growth clusters. They should create centres of excellence within further education colleges and or groups of further education colleges, in order to:
 - Address skills gaps for innovative businesses
 - Transfer knowledge to enable technology adoption.
 - Increase access and utilisation of technical equipment and facilities for businesses.
- 2.11. WMCA is invited to select which further education colleges can apply for this funding opportunity. In response it is proposed that further education colleges whose primary base is within a local authority area of one of the seven constituent members of the WMCA are able to apply as lead applicants. Further education colleges whose primary base is within a local authority area of a non-constituent member of the WMCA are able to be involved as part of a consortia. Consortia bids are encouraged to ensure distinctiveness and to pool resources, thereby enabling the bidding and delivery elements of this funding opportunity.

- 2.12. Independent Assessors identified by Innovate UK will assess bids and make funding award decisions. Of those projects that are assessed by Innovate UK as high-quality applications, WMCA is then invited to take final local selection decisions using local strategic fit considerations. It is recommended that final local selection decisions are delegated to the WMCA Interim Director for Employment, Skills, Health and Communities, Section 151 Officer and Monitoring Officer. The decision will be taken based on advice from a selection of relevant WMCA policy Officers and West Midlands Innovation Board members.
- 2.13. The recommendation for delegated decision reflects the timelines for local selection decisions which fall outside of the regular schedule of the Economic Growth Board. Accordingly, the the risk that timely decisions cannot be taken, leading to delays for further education colleges receiving funding, is appropriately treated.
- 2.14. WMCA Officers not involved in the local selection decision will support further education colleges who wish to apply in understanding eligibility and scope of the funding. Additionally, such Officers will function, as active peer reviewer of emerging applications to support with high quality submissions. This will also include convening regular community of practice meetings with all further education colleges that intend to apply.

Next steps

- 2.15. The Principals of all WMCA area further education colleges have been informed of this opportunity and are now able to access WMCA support, in the run up to the submission of applications in October 2023.
- 2.16. The Economic Growth Board is invited to note this approach and offer advice or comments on the approach to the funding opportunity that has been outlined in this report. There is a specific recommendation to delegate the local selection decision of projects to the Interim Director for Employment, Skills, Health and Communities, Section 151 Officer and Monitoring Officer.
- 2.17. The Economic Growth Board will be notified of the outcomes of applications in Spring 2024.

3. Financial implications

- 3.1. The paper is asking to delegate approval to make the local selection decision for funded projects to Statutory Officers including Section 151 Officer.
- 3.2. There are no direct funding implications from this proposal as WMCA will only be providing support from existing resource to further education colleges who wish to apply for the Innovate UK funding of £2.5m. The funding body is Innovate UK and the further education colleges will be the recipients accountable for delivery.
- 3.3. It is not expected to impact on existing adult education provision from WMCA to further education colleges, as this will be distinctly different provision.

- 3.4. Although unlikely, should any future financial implications arise, they will be resolved through the WMCA governance routes.

4. Legal implications

- 4.1. There are no direct legal implications at this stage of the WMCA governance process. This report exclusively sets out the parameters of the funding opportunity and does not constitute “Authority to Contract” or approval to expend WMCA funds in advance of execution of the correlating Grant Agreement contingent on successful award.
- 4.2. No presumption is made in relation to the success of respective applications under the projects herein proposed. Accordingly, it is anticipated that any correlating commercial relationships formed will be ratified by the appropriate Form(s) of contract.
- 4.3. It is strongly recommended that no assurances that commit WMCA’s reputation and financial resources are given to participating colleges/businesses in advance of fully executed contracts.

5. Equalities implications

- 5.1. As this fund is targeted towards FE colleges in the WMCA region there are potential positive socio-economic and project beneficiary impacts, if the FE college is in a socio-economically deprived area, and if the protected characteristics of staff and students are known or disclosed. To confirm the potential positive impacts, a Health and Equity Impact Assessment will be completed.

6. Inclusive Growth implications

- 6.1. Further education colleges will be invited to discuss how they can increase inclusive economic growth aspects of their projects with WMCA Inclusive Growth Team.
- 6.2. Further education colleges are known to engage a diverse and inclusive range of businesses and students over and above those that engage with universities. Therefore, this fund will directly increase the inclusive growth activities of R&D and Innovation in the West Midlands. This aligns with the WMCA Inclusive Growth Framework.

7. Geographical area of report’s implications

- 7.1. The report refers to the West Midlands core economic area comprising Coventry and Warwickshire, Sandwell, Dudley, Walsall, Wolverhampton, Birmingham and Solihull.
- 7.2. All further education colleges whose primary base is in a local authority area of the WMCA are able to be part of this funding opportunity, subject to the generation of high-quality applications.
- 7.3. The lead applicant must be a further education college in a constituent local authority area.

8. Schedule of Background reports

- 8.1. West Midlands Combined Authority Trailblazer deeper devolution Deal 2023 - [\[Title\]](#)
publishing.service.gov.uk
- 8.2. West Midlands Plan for Growth - [plan-for-growth.pdf \(wmca.org.uk\)](#)